Wisconsin Shares
Child Care Subsidy Policy Manual

Chapter 3: Program Integrity
Client Policy Manual

Acronyms

AE – Agency Error
AISA – Strike Assignment screen in benefit recovery
ALJ – Administrative Law Judge
BECR – DCF Bureau of Early Care Regulation
BPI – Bureau of Program Integrity
BRO – DCF Bureau of Regional Operations
BV – Benefit Recovery
BVCC – Case Comments screen in benefit recovery
BVCI – Claims for an Individual screen in benefit recovery
BVCL – Overpayment Claim screen in benefit recovery
BVIR – Investigation/verification Referral screen in benefit recovery
BVIT – Investigation/verification Tracking and Findings screen in benefit recovery
BVMP – Post Multiple Payments screen in benefit recovery
BVPA – Client Repayment Agreement screen in benefit recovery
BVPI – Post Outcome Information for Investigation screen in benefit recovery
BVRF – Overpayment Referral screen in benefit recovery
CARES – Client Assistance for Re-employment and Economic Support
CC – Child Care
CCAP – Consolidated Court Automation Programs
CE – Client Error
CRES – Central Recoveries Enhanced System
CSAW – Child Care Administration on the Web
CWW – CARES Worker Web
DCF – Department of Children and Families
DHA – Division of Hearing and Appeals
DOR – Department of Revenue
ECF – Electronic Case File
EOS – Enterprise Output Solution
FEP – Financial and Employment Planner
FEV – Front End Verification
FITS - Fraud Investigation Tracking Screens
IPV – Intentional Program Violation
LFAM – Licensed Family Child Care Provider
LGRP – Licensed Group Child Care Provider
MECA – Milwaukee Early Care Administration
NPL – Notice Prior to Levy
OLC – DCF Office of Legal Counsel
PACU – Public Assistance Collection Unit
PE – Provider Error
RPA – Repayment Agreement
WEBI – Web Intelligence

3.1 **Program Integrity Overview**

Local and tribal agencies are contractually responsible for preventing and correcting improper child care payments, establishing and collecting overpayments, and determining which cases will be referred for overpayment, to the fraud investigator, and/or to the District Attorney's office for criminal prosecution. These responsibilities encompass eligibility, authorizations, attendance reporting, YoungStar, and all other activities related to the expenditure of Wisconsin Shares benefits.

Chapter 49.155 of the Wisconsin Statutes, Administrative Code DCF 101, 201, 202, 250, and 251; and Chapters 3 and 4 of the Wisconsin Shares Child Care Policy Manual provide authority, guidance and direction as it relates to program integrity efforts for the Wisconsin Shares program.

3.2 **Front End Verification – Policy Overview**

Prevention of improper payments is crucial to reducing the number and size of potential overpayments. Local agencies are required to establish a Front End Verification (FEV) process in their annual fraud plan that describes the agency's process of intense scrutiny of specific elements or circumstances of individual cases or child care providers that exhibit evidence or characteristics of potential program violation.

When a case is referred for front end verification, a more in-depth verification than the routine verification for eligibility determination is conducted. FEV focuses on particular elements or circumstances of a specific case. The local agency or investigator confirms or verifies the accuracy of information provided by the client at application, review, or change. S/he uses the results of the FEV to verify eligibility for Wisconsin Shares or for fraud investigation referral when applicable. The agency's fraud plan should include an error prone profile, a referral process for FEV investigations, and an investigation process.

3.2.1 **Front End Verification – Prevention**

The primary goal of FEV is to ensure accurate benefit issuance before benefits are issued. The results of FEV are used to determine Wisconsin Shares eligibility and to help determine the need for further fraud prevention actions. By having a successful FEV, using data exchange matches, addressing referrals, conducting in-person visits, reviewing attendance records and performing desk reviews, agencies can reduce potential client overpayments as well as the workload associated with them.

Eligibility
At the time of eligibility determination, take care to ensure that documentation that supports eligibility exists and that all red flags have been reviewed and disproved. Errors in eligibility determination will result in far more investigative work by the local agency for calculating and establishing overpayments for ineligible periods.

FEV should not be routinely required on all new case applications, reviews, or changes. Cases referred for FEV must exhibit characteristics of a potential program error.

Local agencies must establish an error-prone profile for all workers to use to determine if a case meets criteria for an FEV referral. Measure all cases against the error-prone profile in a consistent manner to avoid biased selection for FEV. Workers should refer a case for FEV when it meets the error-prone profile.

Do not delay issuance of program benefits if a case is referred for FEV. Program eligibility and authorization processing deadlines must be observed even if the FEV results have not been received.

Error-Prone Profile

An error-prone case profile is a list of characteristics recognized by the local agency as common to error prone cases. Cases showing these characteristics or meeting the error-prone profile are referred for FEV.

The local agency's error prone profile characteristics should be evaluated regularly to determine if they are actually identifying errors. The recommended target is that 30% of those cases referred to FEV would result in a referral to the local fraud investigator. If an agency, does not meet the 30% target, the agency should remove characteristics that are not error-prone and consider adding other characteristics that the local agency believes may be error-prone, as appropriate.

The criteria must accommodate situations applicable to the local agency. One method of creating the profile is to use quality control reports on cases in which either client error or potential fraud was identified by workers. Another would be a review of cases referred for fraud investigation where fraud or error was found by formal investigation. By examining actual fraud cases, it’s possible to determine types of situations that resulted in error. It’s also possible to discover a pattern of clues or signs of potential fraud from these cases. Second party review findings provide another source of information.

Some simple possible "case flagging” examples:

- Are there questions left blank on the application form?
- Is there unusual movement of people into and out of the household?
- Do household expenses exceed total household income?
- Does the client work for their child care provider?

Because error-prone profile criteria are likely to change over time, the local agency must review the criteria annually as part of its fraud plan. Economic condition changes in your area may influence the criteria. FEV activities may prove that some characteristics originally thought to show potential errors are irrelevant and not cost effective to pursue.

The following are characteristics that **may not** be used when developing an error prone profile: race, color, national origin, ethnic background, sexual orientation, religion, age, political belief, disability, association with a person with a disability or marital status. Federal regulations specifically prohibit error-prone profiles from targeting migrant farm workers or Native Americans.

Authorizations

At the time of authorization, additional consideration and review shall be given to ensure proper eligibility exists, hours to be authorized are for the appropriate duration, and that the authorization would not put the child care provider in violation of licensing, certification, or subsidy regulations. Granting or re-issuing an authorization that is likely to result in a subsequent client investigation is inappropriate and will create far more investigative work by the local agency in the future determining ineligibility and calculating and establishing overpayments for ineligible periods. The local agency has the authority to refuse to issue new child care authorizations and may require the client to clarify or correct a concern or matter prior to issuing the authorization – DCF 201.04(5)(c)1. The local agency also has the authority to revoke an existing authorization and may require the client to clarify or correct a concern or matter prior to re-issuing the authorization – DCF 201.04(5)(c)2. Refer to the Child Care Chapter 2 manual for additional information on creating a proper child care authorization.

FEV Referral Process

If a referral is received for a client, as part of the front end verification process, the Department or local agency worker should review the referral to verify its accuracy prior to issuing benefits. The reason for the referral must be documented in the client case file.

For a client referral, the local agency must initiate a FEV referral on the BVRF Benefit Recovery Referral screen in CARES. Specific information about the referral should be documented on the BVCC comment screen after the BVRF referral screen is processed. This is tracked in the CARES Benefit Recovery subsystem.

The steps the local agency shall take to initiate and process an FEV referral are as follows:

1. Conduct a client interview and compare the case characteristics to the error-prone profile.
2. Specify the error-prone reason(s) of concern and refer the case using the BVIR investigation referral screen in CARES, to the agency's fraud investigator**.**
3. Provide specific information regarding the referral on screen BVCC.
4. Approve or deny the case after receiving the results of FEV prior to the final eligibility determination. The applicant will be contacted and given an opportunity to resolve discrepancies between the information s/he provided and the information obtained through FEV.
5. Determine any benefit savings resulting from FEV and provide information to the person responsible for reporting on the BVIT and BVPI screens on CARES.

FEV Investigation Process

An individual performing FEV duties does not approve or deny eligibility or issue benefits, but typically will:

1. Verify that a case meets the criteria for FEV referral. If the referral does not appear to meet the agency's error-prone profile criteria, the individual should discuss the reason for the referral with the appropriate person before proceeding.
2. Determine which FEV activities are appropriate for the referred case.
3. Estimate the approximate time needed to perform FEV activities. When possible, complete FEV activities prior to issuance of benefits. (See Note below with processing timelines.)
4. Verify the information that prompted the referral.
5. Prepare a written report that includes the results of the FEV.

6. If the FEV results show a possible prior fraudulent overpayment, include that information in the written report. The local agency should also record that information on the BVCC screen linked to the BVIR, BVIT and BVPI screens.

NOTE: Case workers are required to follow processing requirements for cases that have been referred to FEV including:

- 30-day limit for processing applications

CARES allows 30 calendar days for a timely completion date to be recorded on the BVIT screen for a FEV investigation. If a FEV investigation is expected to exceed 30 days, the local agency should record an extension due date on the BVIT screen and provide an explanation on the BVCC screen.

Confidentiality

Do not disclose information about the client or investigations for any purpose not connected with the **direct administration** of the benefit programs. Penalties for unauthorized release of an applicant or recipient's information may include a fine of $25 to $500 or imprisonment of 10 days to more than one year or both. (Wisconsin Statutes s.49.83)

Personal Rights

As detailed in s.49.81, all public assistance and relief granting agencies are required to respect the following rights of recipients of public assistance:

1. The right to be treated with respect.
2. The right to confidentiality of agency records and files.

   NOTE: Federal law allows for the use of records:
   a. To locate a person, or the assets of a person:
      - who failed to file tax returns
      - who underreported taxable income
      - who is a delinquent taxpayer
   b. For identifying fraudulent tax returns
   c. Providing information for tax-related prosecutions
   d. Auditing or accounting purposes to the extent permitted under federal law.

3. The right to access agency records and files relating to the applicant/recipient's case, except that the agency may withhold information obtained under a promise of confidentiality made to the provider of the information.
4. The right to a speedy determination of eligibility for public assistance, to notice of any proposed change in such eligibility, and, in the case of assistance, to a speedy appeal.

The method used to verify information when determining eligibility must not violate the client's rights, privacy or personal dignity. (Grandberry v. Schmidt).

3.3 Authorization Utilization – Citations: Statutes and Administrative Codes

- Statutes
  - 49.155(3m)(e) – Qualifying child
  - 49.155(6g) – Authorized child care hours
  - 49.155(6g)(am) – Utilization reviews
- Administrative Code
  - DCF 201.04(2)(g) – Discretion to deny authorizations
  - DCF 201.04(5)(c) – Penalties for subsidy violations

3.3.1 Authorization Utilization – Policy Overview

The Role of the Authorization Worker

The worker(s) who grant child care authorizations play a vital role in identifying potential red flags before violations of the Wisconsin Shares program occur. Worker(s) are permitted to refuse new authorizations if the authorization would place the provider in violation of the 40% rule, exceed licensed or certified capacity, or if acceptable employment has not been verified. Refer to Chapter 4 Provider Policy manual, section 4.3 for further explanation of the 40% rule.

The Department is ***required*** to adjust ***enrollment-based authorizations*** that are under-utilized by tracking a child's usage of a slot over a 6-week period. If the total utilization during the 6-week period falls below 60% of the total authorized weekly hours, the Department will adjust the authorized hours of child care so that the new authorization is at 90% of the highest attended week. This is done automatically in CSAW.

Auto Adjustment for Enrollment-Based Authorizations

Authorizations will not be reduced if an absence is due to any of the following reasons:

- One week per year of vacation time for the child care provider
- One week per year of sick time for the child care provider
- Two weeks per year of vacation time for the client
- Medical leave from work (client) or from child care (child) – (up to 6 weeks)
- Temporary break in employment (up to 4 weeks)
- Temporary layoff (up to 4 weeks)

At the end of each attendance period (every other Saturday), the system will analyze 6 weeks of attendance. If the **total** utilization falls below 60% of the authorized weekly hours, the system will recalculate the authorization, send a notice to the client and the provider and two weeks later will adjust the authorization to be 90% of the highest attended week. NOTE: The reverse never happens. The system will not automatically increase the number of hours if the child is over-utilizing a slot. If a child needs more care than what is authorized, the worker must manually adjust the authorization within the policy guidelines set in Chapter 2 of the Child Care Policy Manual and the CSAW User Guide.

At a client's annual review/renewal/SMRF, the local agency must conduct a manual review of ***attendance-based authorizations*** for underutilization and manually adjust the authorization if necessary. A worker should exercise good judgment when increasing or decreasing authorizations and document any changes to the authorization in CWW case comments.

Example of a reduction:
John has a 50-hour enrollment-based authorization to ABC Child Care. His attendance during a 6 week period is as follows:

Week 1 - Total authorized hours = 50, Total attended hours = 20
Week 2 - Total authorized hours = 50, Total attended hours = 0
Week 3 - Total authorized hours = 50, Attendance has not been marked.
Week 4 - Total authorized hours = 50, Total attended hours = 40
Week 5 - Total authorized hours = 50, Total attended hours = 10
Week 6 - Total authorized hours = 50, Total attended hours = 0 with approved absence (Client Vacation).

In this example, the number of weeks considered as utilized is four (Weeks 1, 2, 4 and 5). Since Week 3 does not have attendance, the system ignores that week. Also, when there is an absence due to one of the reasons listed above, the system does not include that week into calculation.

Total authorized hours (Wk 1, 2, 4, 5): 200
Total attended hours for these weeks: 70

Total utilization for the above case will be 70/200, which is less than 60%. The system will adjust the authorized hours to be 90% of the highest attended week. Week 4 has the highest attendance – 40 hours. The new authorization will be 36 hours/week.

Below shows the adjustment calculation for the above example:

On Saturday (wk 8), the system analyzes the attendance for weeks 1 to 6. If total attendance is <60%, the system creates a new authorization with effective date 2 weeks later (Sunday of wk 11)

Auth notice sent to parent and provider

Sunday of wk 11, a new Auth of 36 hours will start

Attnd Period	**1**		**2**		**3**		**4**		**5**		**6**	
Week	Wk1	Wk2	Wk3	Wk4	Wk5	Wk6	Wk7	Wk8	Wk9	Wk10	Wk11	Wk12
Attnd Hours	20	0	No attnd	40	10	Vaca-tion	30	25				
Auth Hours	50	50	50	50	50	50	50	50	50	50		

Saturday of Wk 10, the system will analyze utilization for weeks 3-8 (105 attnd hours/200=<60%). Auth won't change because it is already set at 90% of highest attended week (wk4=40).

Manually Calculated Authorizations

The following authorizations are manually calculated by the worker and the authorization rate is entered into CSAW:

- Special needs authorizations
- Authorizations using the 'other' rate

3.3.2 Authorization Utilization – Prevention

Program integrity is an integral and ongoing part of the child care authorization process. The worker(s) who grants child care authorizations are responsible for ensuring child care subsidy authorizations are issued appropriately. To assist the worker(s) in identifying potential problem cases, a list of "red flags" or error-prone case indicators has been developed by each local agency. A case meeting one or more of these criteria does not automatically mean it is in error or is fraudulent, but it does indicate that the case needs further monitoring and investigating **prior** to granting an authorization.

If CSAW automatically adjusts a client's authorizations or if the client contacts the local agency requesting the authorization to be increased to a higher number of hours or the previous number of hours, the local agency should perform a more detailed review before manually adjusting the client's authorizations. The authorization was adjusted as a result of reported under-utilization; therefore, the client must sufficiently provide proof why an authorization that was previously being underutilized for a continuous period will no longer be underutilized.

If the hours were reduced due to a sporadic period of underutilization and the parent's employment verification shows steady work hours, the worker can create a new authorization and reinstate the original number of hours. If the history shows that the parent's schedule varies from week to week, the authorization should be changed to attendance-based. If the authorization is increased back to the original number of hours, the worker must enter case comments justifying the reinstatement.

3.3.3 Authorization Utilization – Parents Who are also Child Care Providers

Parents who are child care providers may not receive Wisconsin Shares authorizations for another provider unless the parent applies for and receives a waiver. Waivers may be granted for individual children under the following circumstances:

- The parent/provider is a foster parent, or
- The parent/provider is a kinship care relative with a court order for placement and is receiving a kinship care benefit for the child, or
- The parent/provider is a legal guardian receiving subsidized guardianship payments for the child, or
- The child has a special need and the child's parent/provider is unable to care for the child at the provider's own home or group center, as verified by a physician or other qualified medical professional, or
- The child's parent is a dependent minor parent who is enrolled in high school or a course that is approved by the state superintendent of public instruction for granting a high school graduation equivalency and resides with a person who is considered a parent and also a child care provider.

Waiver Process

A parent who is a child care provider may apply to the local agency for a waiver to authorize care for the provider's child(ren) from another provider. The waiver request shall be in writing on the form prescribed by DCF (DCF-F-432-E). The waiver shall be granted or denied by the local agency within ten (10) business days of receipt of the completed waiver application. The waiver must be granted in the following circumstances:

- The parent is the child's foster parent as confirmed by eWiSACWIS or other supporting verification.
- The parent is the child's guardian or interim caretaker and is receiving subsidized guardianship payments for the care and maintenance of the child as confirmed by eWiSACWIS or other supporting verification.
- The parent is the child's kinship care relative, the child has been placed with the relative under a court order and the relative is receiving kinship care payments for the care and maintenance of the child. A copy of the court order for placement is required.
- The child has a special need and the child's parent is unable to care for the child at the provider's home or group center. The parent/provider must obtain a statement from a physician or other qualified medical professional that the child has special needs and that the parent is unable to care for the child at the parent/provider's child care location.
- The child is a child of a dependent minor parent who is enrolled in high school or a course that is approved by the state superintendent of public instruction for granting a high school graduation equivalency and the minor parent resides with a parent/provider. A school schedule is required.

3.4 Referrals – Citations: Statutes and Administrative Codes

- Administrative Code
  - DCF 201.03(3) – Monitoring
  - DCF 201.04(6) – Monitoring of Child Care Programs
  - DCF 250.12 – LFAM Complaints
  - DCF 251.12 – LGRP Complaints

3.4.1 Referrals – Policy Overview

It is critical that the Department and local agencies establish networks to promote the communication of referrals of suspected fraud within the Wisconsin Shares program or other public assistance programs. Established lines of communication need to be maintained interchangeably among DCF Bureau of Program Integrity (BPI), DCF Wisconsin Shares Policy, YoungStar staff, DCF licensing specialists, certifiers, authorization workers, eligibility workers, economic support workers, public assistance employees, child support workers and attorneys, state, county, tribal, and municipal employees. All of these individuals are the eyes and ears for identifying public assistance fraud. What may have been identified in one program by an individual may also be occurring by the same individual in another program.

A referral network with other public assistance workers must be established to receive potential fraud referrals from child care providers, employees, parents, neighbors of child care centers, and concerned citizens. A strong network will assist in communication during the establishment of an overpayment or fraud investigation. These individuals, too, possess first-hand knowledge in observing and investigating fraud and program violations.

3.4.2 Referrals – Prevention

Referrals relating to program violations within the Wisconsin Shares program are received via phone calls, emails and letters from a variety of sources such as the licensee, parent, child care center employee, certified operator, state or local agency employee, concerned and informed citizen, and a person wishing to remain anonymous. Referrals may also come

from the red flag report, Consolidated Court Automation Programs (CCAP), YoungStar, Enterprise Output Solution (EOS) reports, violation of the 60/40 rule, CARES alerts through the BV subsystem, external community partners (such as Child Support agencies, W-2 agencies, Housing Authority, Social Development Commission and the Department of Human Services), the fraud referral hotline, the child care subsidy help desk, the MECA client fraud referral hotline and the DCF Joint Child Care Anti-Fraud Task Force.

Referrals may be forwarded to DCF BPI fraud mailbox at dcfmbchildcarefraud@wisconsin.gov, the fraud hotline (877-302-3728) or in Milwaukee County (414-289-5799). Client referrals relating to the Milwaukee Early Care Administration (MECA) shall be forwarded to DCFMBMECACCFraud@wisconsin.gov.

3.4.3 Referrals – Detection

Tracking a Referral

Local agencies are responsible for establishing a tracking method for all referrals that includes the source, the allegation, background information and the resulting disposition. A number of EOS reports and the Fraud Investigation Tracking Screens (FITS) in benefit recovery (BV) exist to assist local agencies in tracking referrals. Technical assistance on the process of tracking referrals is also available from the BPI by contacting dcfmbchildcarefraud@wisconsin.gov.

It is critical that all referrals are forwarded to the Department or local agency immediately and that all referrals are processed immediately to ensure the care and safety of children are protected and integrity of the Wisconsin Shares program is maintained. It is important to process referrals in order to track volume of referrals received as well as to provide a historical record for investigators to reference when following up on leads when conducting their investigations. Establishing a strong referral network and good lines of communication with other public assistance workers should assist in referrals being received.

3.5 Investigations – Citations: Statutes and Administrative Codes

- Statutes
  - 49.141 – Wisconsin Works; general provisions
  - 49.141(7)(c)1 – Wisconsin Works; suspensions
  - 49.151(2) – Wisconsin Works; sanctions
  - 49.155 – Wisconsin Shares; child care subsidy
  - 49.161 – Wisconsin Works; overpayments
- Administrative Code
  - DCF 101.21 – Sanctions
  - DCF 101.23(1)(f) – Recovery of overpayments
  - DCF 201.04(5)(a) – Parent overpayment recovery and penalties

3.5.1 Investigations – Policy Overview

Client Program Violations

If a local agency suspects a violation of the Wisconsin Shares program by the client, an investigation shall be performed by the local agency. All reasonable steps should be taken to recover any overpayments made for which the client was responsible or overpayments caused by administrative error that benefited the client.

Some examples of client fraud are, but are not limited to:

1. Collusion with the child care provider to receive unearned payments. This may also be provider fraud.
2. Concealing or intentionally not reporting income.
3. Submitting false information which if known would result in a decrease or discontinuance of the child care benefit.
4. Concealing circumstances or a change (including hours of care needed for the approved activity), which if known, would result in a decrease or discontinuance of the child care benefit.
5. Incorrectly reporting household composition and placement.
6. Not participating in an approved activity.

Example. Marcia, the absent parent, returns to the household. She is not working; therefore, able to care for the children. The household no longer needs child care. Peter, the primary person, intentionally did not report the change in the household to the child care worker.

3.5.2 Investigations – Findings and Enforcement

At either the conclusion of the investigation or when the local agency has gathered sufficient evidence, the agency needs to determine the appropriate enforcement measure(s).

Depending on the intent and/or severity of the violation(s) found during the investigation, the local agency may take one or more of the following enforcement actions:

A. Establish and recover an overpayment made to the client [DCF 201.04(5)(a)]

Local agencies shall take all reasonable steps necessary to recover any overpayment made for which the client was responsible or overpayments caused by administrative error, client error or intentional program violation.

B. Intentional Program Violation

The Department or a local county or tribal agency administering Wisconsin Shares under contract with the Department, can determine whether an individual applying for or receiving Wisconsin shares has committed an Intentional Program Violation. The individual shall be denied child care benefits as follows:

1) 6 months for a first intentional program violation;
2) 12 months for a second intentional program violation; and
3) Permanently for a third intentional program violation.

C. Criminal prosecution

The local agency shall communicate with their corporation counsel to discuss and establish thresholds and criteria when clients are referred to local law enforcement and/or the district attorney for consideration of possible criminal prosecution.

D. 10-Year Intentional Program Violation

A person shall be suspended from participating in Wisconsin Shares for a period of 10 years, beginning on the date of conviction, if the person is convicted in a federal or state court for knowingly and willfully making or causing to be made any false statement or representation of their identity or place of residence for the

purpose of receiving simultaneously from this state and at least one other state, assistance funded by a block grant under Title I of the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) act of 1996.

3.5 Overpayments – Citations: Statutes and Administrative Codes

- Statutes
  - 49.141(1)(p) – Definition of Wisconsin Works
  - 49.151(2) – Intentional Program Violations
  - 49.152(1) – Petition for review
  - 49.195 – Recovery of AFDC and W-2 benefits
- Administrative Code
  - DCF 101.21(2) – Sanctions for an IPV
  - DCF 101.23 – Recovery of overpayments
  - DCF 201.04(5)(a) – Parent overpayment recovery and penalties
  - HA 1 – Procedure and Practice for Contested Cases
  - HA 3 – Procedure and Practice for Fair Hearings

3.5.1 Overpayments – Policy Overview

Client Overpayments

The Department and local agencies administering child care shall take all steps necessary to recover from the client, funds paid to the child care provider when the client was not eligible for the level of benefits paid.

Recover an overpayment from the client when they receive benefits for which they were not eligible, but not limited to, such as:

1. An authorized amount of child care would have been less due to inaccurate reporting of income. Consider the excess amount paid for the client as the overpayment.
2. The client was absent from a W-2 approved activity without good cause, while the child was in care. (The W-2 Financial & Employment Planner (FEP) determines good cause for absence from W-2 activities on a case by case basis.)
3. The client would not have been eligible if income, household composition, or the need for child care had been accurately reported.
4. A change in income, the need for child care, or household composition was not reported within 10 days of the change and the change would have resulted in a lesser benefit received.
5. The worker did not timely act upon reported information or entered incorrect information into the CARES system that resulted in an eligibility related overpayment.

Example: After eligibility was determined, the client started a second job working 14 hours per week. The client failed to report the job until the next review. At the review, it was determined that the client was still eligible for child care; however, a higher co-pay should have been used in the authorization calculation. An overpayment for the difference in the higher co-pay and the current co-pay will need to be established beginning the first full week after the client started the second job.

Example: At the time of authorization, the client reported having a schedule that varied from 15 to 30 hours per week. The authorization was made based on attendance for 35 hours per week. The worker later found out that the client typically worked 20 hours and ran household errands for the remainder of the time. An overpayment will be established for the difference in the number of authorized hours up to 35 and the number of hours the client actually worked.

35 hours authorized -20 hours attended = 15 hours overpaid).

35 hours is the standard number of hours for a full-time authorization

Example: The client reported an increase in income that was greater than $250.00 per month, but the worker failed to act upon the information. The child was in care during the overpayment period. Although an agency error, this is still an overpayment for which the client is responsible.

Establishing a Client Overpayment

The Department and local agencies shall establish all client overpayments.

Determine what weeks are overpaid based on whether the overpayment began at the time of application, or at some time during an ongoing case. When information that makes a client ineligible or eligible for a lesser benefit is not reported at the time of application, the overpayment begins with the date that benefits were first issued.

Establishing the Overpayment Period

The overpayment period depends on two conditions:

1. There is a change in eligibility or in the need for child care; and
2. Whether the change was reported by the client in a timely manner (within 10 days of the change).

Overpayments Related to Eligibility

Eligibility is determined on a monthly basis; thus, when a change that affects eligibility is reported timely, the family's eligibility changes at the end of the month and/or at the end of the following month if after adverse action.

Changes that affect eligibility include:

- New or changed approved activity
- Change in earned or unearned income
- Change in household size
- Eligible adult enters or leaves the household
- Change in marital status (marriage or divorce)
- Increase or decrease in hours of work or activity
- Change in shared placement for a child

Overpayment periods for changes related to eligibility (excluding loss of eligibility):

Timely: If the change was reported timely, the worker should enter the change in CWW and allow eligibility and the authorization to change according to adverse action.

Untimely: If an eligibility change is not reported timely, the change should be considered effective the date of the change. The worker should enter the change in CWW; manually

end the authorization in CSAW on the immediately following Saturday and review the case for an overpayment that would begin the first full week following the change.

Overpayment periods for changes related to loss of eligibility:

Timely: If the change was reported timely, the worker should enter the change in CWW and allow eligibility and the authorization to end according to adverse action.

Untimely: If an eligibility change is not reported timely, the change should be considered effective the date of the change. The worker should enter the change in CWW; manually end the authorization in CSAW on the immediately following Saturday and review the case for an overpayment that would begin the first full week following the change.

Overpayments Related to Need for Care

The need for care is directly related to the family's authorizations and the child's weekly attendance. Changes in the need for care should be reflected in the authorization effective within the first full week following the change, with the exception of loss of employment.

Changes that affect the need for care may include:

- Loss of employment (have 10 days to report this change)
- Absence from approved activity
- Eligible adult enters or leaves the household
- Change in marital status (marriage or divorce)
- Increase or decrease in hours of work or activity
- Change in shared placement for a child

Overpayment periods for changes related to the need for care (excluding loss of employment):

Whether the change was reported timely or untimely, the worker should make the change in CWW and update the following week's authorization to reflect the change. The case should be reviewed for an overpayment that would begin the first full week following the change.

Overpayment periods for changes related to loss of employment:

Timely: If the loss of employment is reported within the 10-day reporting requirement, the worker should update the Child Care Approved Activity in CWW to indicate the parent is no longer in an approved activity and confirm that Child Care eligibility fails. Count ten (10) days from the last day all parents in the AG were in approved activities and end the authorization the Saturday following the tenth day.

Untimely: If the loss of employment is not reported within the 10-day reporting requirement, the worker should update the Child Care Approved Activity in CWW to indicate the parent is no longer in an approved activity and confirm that Child Care eligibility fails. Count ten (10) days from the last day all parents in the AG were in approved activities and end the authorization the Saturday following the tenth day. The case should be reviewed for a possible overpayment going back to the Sunday following the loss of employment.

Example: A family has been receiving child care assistance continuously. At a review on 5-27-11, the worker learns that the client received a raise starting with his 3-25-11 paycheck. The raise was $75 per week and should have been reported within 10 days. The family is still eligible for child care; however, the copayment should have been $20 more per week. When the worker updates CWW with accurate wage information, the payment is reduced by $20 a week beginning the week of 5-29-11.

The first full week after the change is 3-27-11 through 4-02-11. This is the 1st week of the overpayment. The worker calculates the amount overpaid from 3-27-11 through 5-28-11 and enters the referral period on BVRF as 3-01-11 through 5-31-11.

Example: A family began receiving assistance on 12-15-10. At a review on 5-27-11, the worker learns that the client received a raise starting with the 3-25-11 paycheck. The raise makes the family ineligible for child care. The worker ends the authorization effective 5-29-11. Because the client failed to report the change timely, there is no 10-day notice to the client or the provider.

The first full week of the overpayment is 3-27-11. The overpayment referral period is 3-27-11 through 5-28-11.

Classifications of Client Overpayments

Intentional Program Violation (IPV)

An IPV is an act in which an individual intentionally makes a false or misleading statement, intentionally misrepresents or withholds facts, or intentionally commits any act that constitutes a violation of state or federal law for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking benefits.

IPV's are determined by the administering agency, including the Department, local county or tribal agency under contract with the Department.

A Child Care IPV request **must** be approved by DCF Bureau of Program Integrity prior to entering it into CWW.

When the local agency has determined that an intentional program violation has occurred, the agency shall deny benefits to the individual for the following periods:

- 6 months for the first intentional program violation
- 12 months for the second intentional program violation
- Permanently for the third intentional program violation

The Department or local agency shall take all reasonable steps necessary to recover funds paid on behalf of a client when the following, but not limited to the following, occur:

- They were not eligible for the level of child care benefit they received, which resulted in an overpayment.
- A change in family eligibility occurred that would have resulted in a lesser child care benefit due to, but not limited to:
    - The client has a history of failing to report a change in circumstances within 10 days after the change occurs.
    - The client has a history of being absent from an approved activity, while the child is in care.

- The client gets married but fails to report it because the husband's wages would put them over income eligibility limits for child care.
- The client fails to disclose unearned income, such as income received from a rental property that if it had been correctly reported, would put the client over income eligibility for child care.
- Shared placement of a child- a client reports the child lives with them when they do not have custody of the child in order to receive more hours of care.
- Reluctance or refusal to provide needed information about income, resources, or relevant eligibility factors. A client fails to report the father of a child is living in the home and does not report his income knowing this will put the household over income eligibility requirements for child care. However, the father was reported as living in the home to the Child Support agency to avoid child support enforcement.

o **Any** documents that are falsified or forged by the client or submitted by the client.
- The client fills out an employment verification form with incorrect wages that are lower than their actual wage. They also forge the supervisor's signature and submit the form to the local agency to make them financially eligible for child care.
- The client forges a written document to show they are working and submits fake check stubs to substantiate this. The local agency discovers the business the client claims to be working for does not exist; the client is not working and is not taking the children to the daycare, but instead is receiving a portion of the provider's Shares payment received for reporting care of the children.

o The client is receiving a "kickback" from the provider to have their child attend the child care facility. Examples of a kickback may include cash, tickets to an amusement park, or a vacation.

Client Error (CE)

A CE is an unintentional or inadvertent error made by a client where they reported incorrect information or failed to report information to the Department or local child care agency.

The Department or local agency shall take all reasonable steps necessary to recover funds paid on behalf of a client when the following, but not limited to the following occur:

o They were not eligible for the level of child care benefit they received, which resulted in an overpayment.

o A change in family eligibility occurred that would have resulted in a lesser child care benefit due to:
- The client fails to report a change in circumstances within 10 days after the change.
- The client is absent from an approved activity, while the child was in care.
- Additional members in the household such as a grandparent, who watch the child instead of sending them to child care.
- Additional income, such as a one-time bonus that was not reported.
- Shared placement of a child- a client forgot to report that the placement schedule of the child has changed since the total hours stayed the same.

o The client is **only** receiving child care benefits, and fails to report that she lost her job, but continues to take her child to daycare. The client thought she could utilize child care while searching for a job, since there is a provision in W-2 that allows for job searching and she is confused about the requirement to be working to receive child care only.

- The father of the child is living in the home, which was reported through an anonymous tip. The father is not working and is able to care for the child. The client meets all other eligibility requirements but when asked, states the father is a bum, does not help care for the child, he is moving out and she really needs child care for her child.
- The client gets married, but fails to report the marriage. The client states that her new husband is living in the home; however, is not the father of her children so she thought the marriage information did not need to be reported.

Administrative Error (AE)
An AE is when a child care administrative agency makes an error or a system such as CARES or CSAW calculates an authorization or payment amount for more than a client was eligible. This may include:

- The eligibility worker calculates income incorrectly which results in an overpayment to the provider.
- The authorization worker incorrectly grants hours greater than the authorized hours.

3.5.2 Overpayments – Recovery

Recovery of Client Overpayments

All overpayments made to a client, whether due to client error, administrative error or fraud, **must** be formally established to be repaid by the client. To enter a new claim into the benefit recovery (BV) subsystem of CARES, an overpayment referral must be established via the Benefit Recovery Referral (**BVRF**) screen. This establishes the initial overpayment referral. See Chapter 9.1.0 in the CARES Guide or Chapter 1 or 5 of the DCF Benefit Recovery Accounting Manual.

If an overpayment is due to an intentional program violation, the BV system has a number of Fraud Investigation Tracking Screens (FITS) that may be used to record data relating to a fraud investigation. These three (3) screens include BVIR, BVIT and BVPI. The BVCC screen, which records worker comments, is used in conjunction with each of the fraud reporting screens. (See Chapter 9.2.0 in the CARES Guide).

- **BVIR** (Investigation/Verification Referral) screen is used to issue a formal request for a fraud investigation because of a suspected intentional program violation. An initial referral for an investigation is created on this screen.
- **BVIT** (Investigation/Verification Tracking & Findings) screen is used to report the findings of the investigation and claims activity.
- **BVPI** (Post Outcome Information for Invest/Verification) screen is used to enter information about the investigation finding of fraud.
- **BVCC** (Benefit Recovery Comments) screen is used to record comments relating to a particular referral or claim. This screen should be used throughout the investigation process since the comments can provide pertinent information needed to decide if a case should be referred to corporation counsel or the district attorney.

System-generated and manual overpayment notices must be mailed to the client and meets the notice requirements to the client.

System Generated Notice
Once an overpayment amount has been determined, enter the overpayment information on the Benefit Recovery Claim (**BVCL**) screen to create an overpayment claim. This will generate a Child Care (CC) Overpayment Notification that is mailed to the client's last known address in CARES. This notice informs the client of the reason for the overpayment, amount of the overpayment, overpayment period, claim number and fair hearing rights. A repayment agreement will be sent separately on the second business day of the following month that the claim was entered. (See Chapter 9.3.3 in the CARES Guide).

Manual Notices
The Department or the local agency establishing the overpayment is required to mail a Child Care (CC) Client Overpayment Notice (DCF-F_DWSW-11250-E). This notice informs the client of the same information as the system generated Child Care (CC) Overpayment Notification; however, it includes a more descriptive reason for the overpayment.

The Department or local agency is also required to mail Child Care Overpayment Worksheet (DCF-F-452-E) or its functional equivalent that shows the calculation of the overpayment.

These notices are mailed to the client's last known address in CARES.

Overpayment notices are generated to all liable individuals on the claim and are mailed to the individuals' last known address in CARES. If the person liable for the claim is no longer active on the case but is active on another case, CARES generates a separate overpayment letter to the primary person on that case. CARES generates an overpayment notice to the person who is liable for the claim even if the person liable is not the primary person.

Notice to Additional Liable Individuals
If an individual is manually added as liable for an overpayment, the notice for the newly added person will automatically be generated from CARES.

However, the added individual must be mailed the same Child Care Overpayment Notice (DCF-F_DWSW-11250-E) that was mailed to the primary person liable for the overpayment and Child Care Overpayment Worksheet (DCF-F-452-E) or its functional equivalent that shows the calculation of the overpayment.

Statute of Limitations
Claims for incorrect payments due to an intentional program violation or client error may be established for up to six (6) years prior to the notification date of the overpayment, also known as the date of discovery.

The overpayment period for a non-client error (also known as administrative error) claim ends with the month the error last occurred and extends back 12 months or when the error first became effective, whichever is most recent. The overpayment period for a non-client error cannot begin more than 12 months prior to the notification date of the overpayment.

3.5.3 Overpayments – Client Overpayment Appeal Process

When an overpayment has been established against a client, he/she will receive both a system-generated Child Care (CC) Overpayment Notification and a manual Child Care (CC) Client Overpayment Notice that lists the reason for the overpayment, amount of the overpayment, overpayment period, and their rights to a fair hearing. The client may contact the Department or local agency, whose contact information will be on the overpayment notice, to request an explanation for the overpayment. The Department or local agency may resolve the issue by either giving an explanation to the client of how the overpayment occurred, or the overpayment can be adjusted or deleted if the client can provide documentation to verify and support the agency's new decision.

If the Department or local agency is unable to resolve the issue, or the client wants to appeal the overpayment decision, the request for a hearing may be made in writing or orally to the local agency or to the Division of Hearings and Appeals (DHA) within 45 days of the date of the notice. If an oral request is made to the local agency, the request must be reduced to writing by the local agency and signed by the petitioner. A local agency receiving a hearing request shall immediately date-stamp the request and forward it to DHA.

In the event of a hearing, the client and a representative from the Department or local agency, depending on who established the overpayment, present testimony and evidence to an Administrative Law Judge (ALJ) who determines whether to uphold the Department or agency's action.

The types of documents that may be used as exhibits during a client hearing include:

- Original overpayment notices which include the hearing rights (system generated and manual Child Care (CC) Overpayment Notice (DCF-F-DWSW11250-E)
- Calculation of the overpayment (Child Care Overpayment Worksheet DCF-F-452-E or its functional equivalent)
- Documentation or witnesses to support, corroborate and explain the basis for the overpayment
- Any other supporting documentation of the overpayment

The ALJ makes a ruling whether the agency was correct in its findings and calculations. If the agency was correct, the agency and client will receive a decision dismissing the appeal. If the Department or local agency was not correct in its findings and calculation, the ruling would remand the agency to either rescind or recalculate the overpayment amount, which must be completed within 10 days.

3.5.4 Overpayments – Retention of Records

The Department and local agencies are responsible for retaining **all** records, including letters and notices sent by the agency, for a minimum of three (3) years after an overpayment claim reaches a zero balance **or** a minimum of three (3) years after the debt is written off.

3.6 Intentional Program Violation (IPV) – Appeal Process

When an IPV has been established for an individual in Cares Worker Web (CWW), a system-generated notice will be issued. If multiple individuals on one case each receive an

IPV, each will be issued a system-generated notice. Each individual has their own appeal rights to the IPV established against them.

The client has 30 days from the date of the IPV notice to request an appeal. If the client appeals, they are instructed to send a letter of appeal to the Division of Hearings and Appeals (DHA) with a copy of the IPV notice. Requests for a hearing sent to anyone other than DHA do not constitute a proper request.

DHA will notify DCF legal counsel or the local agency human services staff of all appealed IPV's by sending an acknowledgment of receipt of appeal as well as a copy of the appeal letter. DHA assigns an administrative law judge (ALJ) to the case and DCF assigns an attorney to represent the Department. DHA will also send a notice to the client and their attorney, if they are represented, that an ALJ has been assigned to the appeal.

Each local agency is responsible for ensuring program integrity in the Wisconsin Shares program. The contract between the local agencies and the Department requires the local agency to provide legal representation as necessary at all hearings. An agency's corporation counsel is strongly urged to provide representation at all client IPV hearings. DCF OLC is available to provide training and technical support.

Pre-hearing conference call: The ALJ will send notice to the Department or local agency, and the petitioner to set the pre-hearing conference call. During the conference call, the date, time and place of the hearing as well as the date to exchange witness lists and exhibits will be determined. The Department, local agency and the client may discuss the appeal process and general facts of the case during the call, at the ALJ's discretion.

Witness lists: Includes the name, address and phone number of every witness each party will use during the hearing. The number of witnesses may be as few as 2 or as many as 10, depending on the facts of the case. If necessary, DHA can assist in subpoenaing a witness. If the local agency is handling the case, they are responsible for creating and submitting their witness list.

Exchange of exhibits: The DCF legal counsel or local agency legal staff is responsible for submitting all exhibits that will be used in the hearing to the ALJ and opposing party. The exhibits for an IPV hearing should include documents that will support the intentional program violation such as:

- Copy of Intentional Program Violation letter
- Copy of overpayment letter
- Any amendments to the Department's or local agency's original overpayment calculation
- If emails are included, redact any information regarding other individual's names
- Any documentation relevant to the case such as pay stubs, EVFE's, leases, a CCAP case print out, or DOT records
- A copy of the Child Care Rights and Responsibilities from a renewal/SMRF
- Anything else relevant to the investigation

Hearing: The individual who determined the IPV will be expected to attend and serve as the policy witness on Shares policies and testify to the facts of the case, the investigative findings and enforcement action(s).

Final decision: A final decision will be issued to all involved parties on the case. The client can request a rehearing within 20 days if the client can show a serious mistake in the facts or the law, or if the client has discovered new evidence, which was unavailable at the time of the hearing. The client can also appeal the decision to circuit court within 30 days of the final decision.

Dismissal: At various stages during the appeal process, the case may be dismissed. Appeals may be dismissed because they were filed untimely, because the parties have settled the case, or because the client has abandoned the appeal.

Remand: A final decision by DHA may be to remand an IPV determination if the Department or local agency has not met its burden to prove that the individual committed an IPV.

3.7 Collections – Citations: Statutes and Administrative Codes

- Statutes
  - 49.152 – Review of agency decisions
  - 49.155(7m) – Penalties
  - 49.195 – Recovery of AFDC and W-2 benefits
  - 49.85 - Certification of certain public assistance overpayments and delinquent loan repayment
  - 49.85(1) – Department notification requirement
  - 49.85(2) – Department certification
  - 49.85(3) – Notice requirements
  - 49.85(4) – Hearings
  - 49.85(5) – Effect of certification
- Administrative Code
  - DCF 101.23 – Recovery of overpayments
  - DCF 201.04(5)(a) – Parent overpayments
  - DCF 201.04(5) (eh) – Warrant and execution under section 49.195(3m), *Stats*.
  - DCF 201.04(5)(ep) – Levy under section 49.195(3n), *Stats*.
  - DCF 201.04(5)(et) – Threshold for warrant and execution and levy

3.7.1 Collections – Policy Overview

Referring a Client to Central Recoveries Enhanced System (CRES)
The BV system generates and mails a Child Care Overpayment Notice to the client's last known address in CARES, which includes the claim number, amount of the overpayment, overpayment period, reason for the overpayment and fair hearing rights.

A repayment agreement is also mailed to the client's last known address in CARES, which includes the requirements for repayment of the overpayment. At the end of the first business day of each month, a cycle will run which will look at the prior month's claim creations, repayment agreements and payments made.

- If a new claim was entered, CARES will automatically generate a repayment agreement to each person liable for the debt.
- If a repayment agreement exists, CARES will look on BVPA to see if a returned repayment agreement was entered. If it was, the system will look for payments received during that time period.

- If a repayment agreement was not entered on BVPA or if a repayment was not equal to the monthly amount or an amount agreed upon in the RPA, CARES generates a dunning notice.

If a repayment agreement **has not** been entered on BVPA and a payment has been made, a dunning notice will be generated. CARES will issue a dunning notice when a repayment agreement is not entered, even if payments are being made. If a client alerts the worker to this situation, the worker can reset the dunning notices, if the payment satisfies the amount in the repayment agreement; otherwise, no action is necessary by the worker.

If a repayment agreement has been entered, CARES looks for payments made the previous month. All payment amounts must total at least the installment amount on BVPA. If all payments for the previous month **do not** add up to at least the total installment amount, CARES generates a dunning notice.

If a client receives three dunning notices over the life of the debt, CARES determines the client to be delinquent and the client is referred to the Central Recoveries Enhanced System (CRES) for additional collection action including levy, warrant/lien and Department of Revenue (DOR) state tax intercept.

3.7.2 Collections – Collections Process

BVPA – Client Repayment Agreement

BVPA is used to record all returned client repayment agreements. The local agency must record the repayment options properly on BVPA. Failure to make the appropriate entries on BVPA may result in incorrect collection action for the client.

All clients are required to complete and sign a repayment agreement. If the overpayment is under $500, monthly installments of at least $50 per month must be paid. If the overpayment is over $500, equal monthly installments to have the balance paid in full within three (3) years or 36 months must be paid.

A payment arrangement can be made by contacting the local agency or the Public Assistance Collection Unit (PACU) to negotiate a repayment amount, if the balance cannot be paid in three (3) years or 36 months. The minimum monthly payment accepted is $20 per month per liable person. Failure to return a repayment agreement or to make a payment arrangement will result in delinquency and further collection actions.

If multiple persons are jointly and severally liable for an overpayment, each will receive a separate repayment agreement; however, an individual and their spouse may both sign one repayment agreement. Each liable individual is responsible for the debt until it is repaid in full; therefore, if one liable individual misses a payment or becomes delinquent, the other individual is still responsible for the debt.

Liability for a child care overpayment extends to any parent, non-marital co-parent or stepparent. A “parent” can mean a custodial parent, guardian, foster parent, treatment foster parent, legal custodian or a person acting in the place of a parent.

All payments and outstanding repayment agreements must be returned to the local agency no later than the 25th of the month. Repayment summary notices are automatically generated when a monthly payment is made. A client will receive a repayment summary

notice for all payments recorded in the BV subsystem. The notice provides the current balance and serves as a reminder to make the next month's payment.

Dunning Notices

If a client fails to return a repayment agreement, fails to make a payment or fails to make a payment equal to the monthly amount or an amount arranged with the agency or PACU, they will receive a dunning notice. A dunning notice is a past due notice that informs the client that they are required to pay the balance of the debt and failure to complete and return a repayment agreement could result in delinquency and further collection action.

If a client receives three (3) dunning notices over the life of the debt, CARES determines the client to be delinquent and the debt is referred to the Central Recoveries Enhanced System (CRES) collection system for additional collection action including levy, warrant/lien and Department of Revenue (DOR) state tax intercept. The referral date is noted on BVPA as "Referred to CRES".

If a client is delinquent on a current overpayment, and he/she receives another overpayment, the second overpayment is automatically considered delinquent, without the client receiving an additional three (3) dunning notices.

Delinquency Collections Actions

Levy Process

A levy is an involuntary collection from a third party, such as an employer or financial institution, who holds a debtor's earnings or property (similar to a garnishment action). PACU is allowed by Wisconsin statute to levy any amount over $1,000 from an account at a financial institution and/or up to 25% of a debtor's disposable wages to repay a delinquent child care debt. Any debt referred for levy action must be at least $300.

1. **Notice Prior to Levy (NPL):** PACU sends a NPL to the debtor by certified mail. This notice is a demand for payment in full within ten (10) days and a notification that further legal action is intended to collect the debt. There are no appeal rights given on this notice.

2. **Levy Issuance:** If the debtor does not respond within 10 days after the NPL is sent, the Department will serve the levy on the debtor. If an employer match is found, and no acceptable arrangements have been made, a levy notice is sent by PACU via certified mail to the employer. A copy of the levy is also sent by certified mail to the debtor's last known address. The levy notice contains the debtor's administrative hearing rights on the levy action along with instructions for how to request a hearing. The debtor has 21 days from the date of the notice, to request a hearing on the levy action through the Division of Hearings and Appeals. If the debtor is granted a hearing, the levy action will continue throughout the hearing process. If the debtor requests an appeal, the subject matter of the appeal is limited to prior payment and/or mistaken debtor identity.

Warrant/Lien

Another collection method used is to issue a warrant, which becomes a perfected lien on real and personal property such as a home. The overpayment amount must be over $300 in order for a warrant/lien to be issued and is only valid in the county where the warrant is docketed. The debtor has 21 days from the date of the notice to request an appeal, which is limited to issues of prior payment and mistaken debtor identity. If the debtor requests an

appeal, the warrant will remain in effect during the appeal process. When the amount in the warrant and all costs due the Department has been paid, the Department shall issue a Satisfaction of the Warrant that states the outstanding balance has been paid in full.

DOR State Tax Intercept
If a debt is considered delinquent, the debt is certified to the Department of Revenue (DOR) to offset tax refunds and/or credits. The debtor is sent a notice to their last-known address, 30 days prior to certification of an overpayment that the Department intends to recover. The notice informs the debtor that the Department intends to certify the delinquent overpayment to the DOR and that the debtor has 30 days from the date of the letter to request an appeal.

If the debtor requests an appeal, the Department **will not** certify the amount to the DOR during the appeal process. The certified amount represents the total outstanding balance due, and the certification will remain until the debt(s) are paid in full. If the debtor requests an appeal, the appeal is limited to the tax intercept matter.

If the debtor has filed for bankruptcy, the debtor must inform the Department because all collections actions are ceased during a bankruptcy. All bankruptcy notices **must** be forwarded to the Department's Public Assistance Collection Unit (PACU) for handling.

Posting a Client Payment
If a local agency receives a check payment for an overpayment, the check must be sent to the Public Assistance Collection Unit (PACU) for posting to the debt. If an agency receives a physical cash payment, the agency must deposit the cash and make a check payable to the PACU for the amount of the payment.

3.7.3 Collections – Delinquency Collections Appeal Process

In client collections cases, the local agency that established the overpayment is also responsible for handling the delinquency collections appeal process for levy, warrant/lien and DOR tax intercept.
The documents that are needed for these hearings are:

- Original overpayment notices which include the hearing rights (system generated and manual Child Care (CC) Overpayment Notice (DCF-F-DWSW11250-E)
- Calculation of the overpayment (Child Care Overpayment Worksheet DCF-F-452-E or its functional equivalent)
- The decision from any prior hearing
- Three (3) dunning notices from the benefit recovery (BV) system
- Signed repayment agreement (RPA), if one exists
- Delinquency collection notice(s)- notice prior to levy, levy notice, DOR certification notice of tax refunds or credits, and notice of warrant docketed
- Any other supporting documentation that will support the reason for the overpayment

PACU will provide the agency with copies of the appropriate delinquency collection action notices, which include levy notices, warrant notices and tax offset notices. If you have not received the documentation prior to the hearing, contact PACU at 1-800-943-9499 or dwspacu@wisconsin.gov.

The Administrative Law Judge (ALJ) should limit collections hearings to questions of procedure, prior payment and/or mistaken debtor identity; however, under certain circumstances the ALJ may decide to review the underlying merits of the overpayment.

Therefore, the agency must be prepared to defend the original overpayment determination as well as the collection action. If the ALJ expands the inquiry into the underlying reason for the overpayment, please alert the DCF Office of Legal Counsel (OLC).

The Department's PACU will receive all requests for collection related appeals and will forward the Request for Summary to the local agency. The agency must complete the Request for Summary and return it to DHA. DHA will then process the appeal and notify the agency of the scheduled hearing date and time.

3.7.4 Collections – Retention of Records

The Department and local agencies are responsible for retaining **all** records, including letters and notices sent by the agency, for a minimum of three years after an overpayment claim reaches a zero balance **or** a minimum of three years after the debt is written off.

3.8 Training and Technical Assistance

DCF is here to assist you and offer technical assistance to better interpret, train, and educate staff on each and every program integrity component detailed in this chapter of the Wisconsin Shares Child Care Policy Manual. DCF encourages all local agencies to contact the BPI directly with program integrity questions, clarifications, or concerns. BPI is here to assist all local agencies ensure the program integrity of the Wisconsin Shares program. BPI will:

- Make technical assistance resources available on DCF's public website
- Make available Wisconsin Shares data reports on Web Intelligence (WEBI), an Internet-based report repository
- Offer semi-annual program integrity trainings at the regional meetings
- Offer customized trainings for local agencies
- Speak one-on-one with you

The BPI may be reached at dcfmbchildcarefraud@wisconsin.gov. Additional contact information is provided at the end of this manual.

3.9 Confidentiality and Routine Disclosure – Citations: Statutes and Administrative Codes

- Statutes
  - 49.83 – Limitation on giving information

Agencies and workers must adhere to the Department or local agency confidentiality policies. They shall not unnecessarily disclose any information about the client, provider, or reasons for the investigation. Agency records and data are confidential and shall be open to public inspection or disclosure only to the extent required by state or federal law.

Agencies may disclose information from the record to any governmental official conducting an investigation, prosecution, or civil proceeding in connection with administration of a DCF program to the extent necessary. The official must submit a written request to obtain the information. The request must include the identity of the person requesting the information, his/her authority to request, the violation being investigated, and the person being investigated. Do not apply this restriction to the district attorney or the fraud investigator.

No person may use or disclose information concerning applicants and recipients of a public assistance program for any purpose not connected with the administration of the programs.

Agencies are encouraged to coordinate child care benefit recovery efforts. In most cases, agencies that centralize the benefit recovery functions with one person or work unit are encouraged to have that person or unit perform the child care benefit recovery function as well.

3.10 **Contact Information**

If you suspect fraud in the Wisconsin Shares program, there are a number of ways to report it:

Provider and client referrals should be directed to:

1. **dcfmbchildcarefraud@wisconsin.gov**

2. The DCF fraud hotline **877-302-3728**

3. MECA fraud hotline **414-289-5799**

4. Client referrals relating to Milwaukee Early Care Administration (MECA) should be directed to **DCFMBMECACCFraud@wisconsin.gov** or

5. Submit allegations by filling out the Report Child Care Fraud form

6. Write to:
   Department of Children and Families
   Bureau of Program Integrity
   PO Box 8916
   Madison, WI 53708-8916

7. Public Assistance Collection Unit (PACU)- 800-943-9499 or dwspacu@wisconsin.gov

8. DCF Legal Counsel at DCFCalLegal@wisconsin.gov

If you would like to speak with a member of the BPI, please email the BPI at dcfmbchildcarefraud@wisconsin.gov or contact the:

- BPI Program and Policy Analyst at (608) 422-6174
- BPI Lead Auditor (excluding Milwaukee County) at (608) 422-6177
- BPI Program Supervisor at (608) 422-6169